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Chairman: Jim Townsend

President: John Huber

AGENDA
October 30, 2007
1 p.m. Board Meeting
Washington, D.C. 866-886-5735, 8816810

- I. Introductions
- II. Approval of Minutes
- III. Financial Review
 - a. Statement of Activities and Balance Sheet through September
 - b. State Grant Remaining Balance Report as of September 30, 2006
 - c. Release of 5 Percent Weather
 - d. Approval of 2008 Budget
 - e. Nevada 2007 Grant Approval
 - f. Vermont & Rhode Island Internal Budget Transfers
- IV. Industry Issues
 - a. Industry Future – Long Range Planning
 - b. Price Changes – Public Relations Response
- V. Research and Development
 - a. Brookhaven and Saratoga
 - b. Projects Underway
 - c. Sulfur in Fuel/Mane-Vu Resolution/Possible Research Projects
 - d. Efficiency Website
- VI. Consumer Education Report
 - a. Internet Advertising - Report
 - b. Revised Radio Campaign – Radio
 - c. Media Placement in 2008
- VII. Education and Training Report
 - a. Revisions to Database for Education Site
 - b. Train the Trainer Workshops in 2008
 - i. NAPHCC
 - ii. Oilheat Trainers
- VIII. Tank Program - Training at IBHS
- IX. Executive Committee Appointments
- X. Adjournment

Roll Call 2007 Directors

Contact	Company
Brett Adams	Adams Petroleum Co
Raymond Albrecht	NYSERDA
Nancy Allen	E.T. Lawson & Son Inc.
Bill Anderson	Suburban Propane
Mike Anton	Heating Oil Partners, LP
Debbie Baker	Crystal Flash Petroleum Co.
Richard Baran	Frame Oil
John Beckett	R.W. Beckett
Tom Berry	Berico Fuels, Inc.
Peter Bourne	Bourne's Inc.
Molly Brady	First Call Heating & Cooling
Jim Buhrmaster	Buhrmaster Energy Group
Donnie Burch	Burch Oil Company, Inc
Dr. Thomas Butcher	Brookhaven National Laboratory
Ralph Carlo	Tracey Energy Service, LLC
Joseph P. Cavanaugh	Star Gas Partners, L.P.
Jon Day	Jacobus Energy
Tom Devine	Devine Brothers,.Inc
Bob Durham	Anchor Oil Company
Charles "Bill" Ermer	Palmer Gas Co. & Ermer Oil
Boyd Foster	Sunoco Inc.
Louise Giguere LeBlanc	Giguere & Marchand Oil Service, Inc.
David Glendon	Sprague Energy
Larry Goldstein	PIRF
Allison Heaney	Energy Conservation Group LLC, The
Barry Knox	Total Energy Solutions LLC
Brian E. Kottcamp	Shipley Energy
Will Lawes	Lawes Fuel Corp.
Leonard Lipton	Lipton Energy
Richard Longacre	Farm & Home Oil Co.
Jon Madsen	Allied Washoe
Dave Martin	Webber Energy
Bill McKibbin	Henderson Oil Company
Ralph L. Mills	Abbott & Mills Inc
Mike Neish	Morgan Oil Corp
Ted Noonan	Noonan Energy
John Peters	Downeast Energy
Richard Phelps	Carrol Independent Fuel Company
Michael Romita	Castle Oil Corp.
Ron Sabia	Gulf Oil, Lp
Tom Santa	Santa Energy
Larry Scuder	Combind Oil Corp
Eric S. Slifka	Global Companies
Don Steward, Sr.	W B Steward & Son
Jim Townsend	Townsend Oil Co
Kim Ullman	Ullman Oil Company
Rob Van Varick	Van Varick & Son, Inc
Gene Waldman	Duck Island Terminal , Inc.
Jack Woodfin	Woodfin
Jim Woodruff	E M Sergeant
Norman Woolley Sr.	Woolley Fuel Co.



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Minutes
June 12, 2007
1 p.m. Board Meeting
NEFI Expo, Boston, MA

I. Introductions

Mr. Jim Townsend called the meeting to order at 1:00 pm and directed Mr. John Huber to call the roll. Mr. Huber called the roll and the following members of the Board were Present. Mr. Huber indicated a quorum was present.

Raymond Albrecht	Louise Giguere LeBlanc
Mike Neish	Ron Sabia
Tom Devine	Jim Buhrmaster
Nancy Allen	Michael Romita
Ralph Carlo	Brian E. Kottcamp
Barry Knox	Norman Woolley Sr.
Ralph L. Mills	Jim Woodruff
Jon Day	Allison Heaney
Larry Scuder	Debbie Baker
Peter Carini	Jack Woodfin
Jim Townsend	Molly Brady
Tom Berry	Kim Ullman
Dave Martin	Dr. Thomas Butcher
Leonard Lipton	Boyd Foster
Joseph P. Cavanaugh	Jon Madsen
David Glendon	Don Steward, Sr.
Charles "Bill" Ermer	Peter Bourne
Ted Noonan	Richard Longacre

II. Approval of Minutes

Mr. Townsend moved that the minutes of the meeting held on February 27, 2007 be approved as submitted to the Board of Directors. The motion was duly seconded by Mr. Bill Ermer and approved by voice.

III. Financial Report

Mr. John Maniscalco reported on the Audit for 2006, financials through April 30 2007, and proposed 2008 budget.

Mr. Maniscalco reviewed the independent auditor's annual report to clarify all activity for 2006. One of the highlights was the Assessment Funds (#11) footnote which included the two collection changes for the year. The first change stated the expansion to all dyed distillates no matter what the sulfur content. The second change stated the refunds are expected to be approximately \$1.5 million per year.

Mr. Larry Scuder moved that **The Board of Directors of the National Oilheat Research Alliance Approves the 2006 Independent Audit as submitted to the Board.**

The motion was duly seconded by Mr. Joe Cavanaugh and approved.

On the Statement of Activities for Month Ending April 30, 2007, Mr. Maniscalco remarked the accounting fees were above average due to audits in the beginning of the year. Also, the Consumer Direct Material was eliminated from the inventory which decreased the total non-current assets. He continued by reporting an increase in Net Assets of \$496,360 and commented that it is still very early in the year.

Mr. Dave Martin moved that **The Board of Directors of the National Oilheat Research Alliance Approves the April 2007 Financial Report as submitted to the Board.**

The motion was duly seconded by Mr. Bill Ermer and approved.

Mr. Maniscalco reviewed the Recommended 2008 Budget. The proposal included the Internet Communications fund cuts, now the budget line states \$850,000. This decrease was suggested by the Consumer Education committee in an effort to eliminate all unnecessary campaign efforts. Another adjustment was the Research Allocation budget line that increased to \$777,114 due to the NYSERDA partnership.

Mr. Ermer moved that **The Board of Directors of the National Oilheat Research Alliance Approves the Recommended 2008 Budget as submitted to the Board.**

The motion was duly seconded by Mr. Scuder and approved.

Mr. Huber explained that collections were still weak in the second quarter. Thus, the 2007 State Grant Allocations will continue to be suspended by 5% of the total amount to each state. The Finance committee will continue to discuss this matter in future meetings. If collections are able to support this expense then the monies will be available to the states.

IV. Research & Development

Mr. Rich Sweetser reported an update on nine research projects, appliance efficiency test, and presented the pilot program. The research projects are producing great results and all are on schedule. The appliance efficiency test, headed by Dr. Tom Butcher, is developing the input/output performance maps for integrated (heat and hot water) Hydronic residential systems. This project will demonstrate precise fuel saving by upgrading appliance in a home. The pilot program being developed for the appliance efficiency test will be portable furthermore; salespeople will be able to use this in the field.

Mr. Carini remarked on the establishment of the Liquid Fuel Research Center with NYSERDA. He stressed the importance of this project to the industry as a whole. This facility would be the first of its kind in the United States. He commented that the amount of information will be worth the investment. The facility would allow NORA to react more efficiently to resolving any issue that arises in the field.

Mr. Cavanaugh moved that we continue the progress of a partnership with NYSERDA. The motion was duly seconded by Mr. Jim Buhrmaster, and approved.

V. Consumer Education Report

Mr. Scuder reported that the internet continues to be an important part of our communications campaign. The Board budgeted \$900,000 for this project; however, based on the short collections, NORA has instructed the Agency to scale down the media buy to \$740,000.

On average, oilheatamerica.com receives 30,000 visitors to that site per month. The internet media plan will display NORA's advertising 100 million times over the coming years. NORA will also develop the data to determine which spots drive the most hits to our site. All this information will help develop new material.

NORA is currently working on new radio ads and hopes to make them available in the fall.

VI. Training & Educations

Mr. John Levey reported on current projects and new training material. The Silver Book is in the final stages to be disbursed to the manufactures for their evaluation and approval. The new Silver Book is expected to be in classrooms by Winter 2007-2008.

The Management 4 day Workshop is being condensed to reach different clientele. This course is still for owners and managers but the information is compressed into a one day session. The condensed version of the Workshop will be scheduled for next Spring in New England.

The Tank Seminars are still gaining momentum in the Industry with more classes scheduled up and down the east coast this summer. Mrs. Judy Garber from NOASHM has scheduled and sponsored over 15 classes.

Central New York has created a pilot program to teach the classroom section of the Silver Course online. The students would still be required to be present at the school for the labs section. This nontraditional approach to education will be valuable in rural states where students travel long distances.

Other projects reported included the Turn Key Project and New Jersey's outreach program. All projects are on schedule.

VII. Tank Program

NORA has developed a consistent, technically-defensible, and easily implemented process to remediate releases called the RBCA Guidance for Heating Oil Systems. Mr. Jim Rocco has finished the first draft for the Board to review. The guide shows a comprehensive approach for screening if a release has occurred and, where further action is warranted. This process will reduce expenses associated with corrective action.

Mr. Jim Townsend gave gratitude to everyone who has worked on our tank projects and is very content with the progress.

VIII. State Grant

National Oilheat Research Alliance from its inception has considered the state association to be one of the strongest forces in the Oilheat industry and the effective use of their resources will help advance the goals of NORA.

RESOLUTION G-1

The Washington Oil Marketers Association has submitted their 2007 Grant Application. This grant has been reviewed and was found to provide sufficient detail to meet the requirements of the law, that there is commitment to comply with the title in using the requested funds, that the grant has been made public and not received adverse comments, and will directly benefit the Oilheating industry.

Be it therefore resolved: That the NORA Board approved a grant to the Washington Oil Marketers Association for \$72,433.32. The sum of \$66,638.65 will be used for consumer education and the sum of \$5,794.67 will be used for education and training

RESOLUTION G-2

Michigan Petroleum Association has submitted their 2007 Grant Application. This grant has been reviewed and was found to provide sufficient detail to meet the requirements of the law, that there is commitment to comply with the title in using the requested funds, that the grant has been made public and not received adverse comments, and will directly benefit the Oilheating industry.

Be it therefore resolved: That the NORA Board approved a grant to the Washington Oil Marketers Association for \$138,890. The sum of \$46,639.30 will be used for consumer education and the sum of \$92,250.70 will be used for education and training. This sum includes an administrative fee within the Board specified amount.

IX. Mercury in Fuel

Mr. Huber described that Mercury in fuel is a point of interest for NORA. Three years ago the issue of mercury in fuel came up in Maine. And through the efforts of Brookhaven, and the Maine Oil Dealers Association it became apparent that the concerns with mercury in fuel oil were unwarranted. However, AP-42, EPA's official emissions document had fuel oil as a significant source of mercury. NORA filed a petition to change the emissions factors for heating oil. However, the EPA office in North Carolina was reorganized and the petition process has now changed. NYSERDA has hired NESCAUM to gather data on this subject, which hopefully will lead to a new emissions factor for mercury. If the study proves the mercury level in #2 fuel oil is lower than currently stated then that will be a positive event and take pressure off the industry.

X. Old Business

There was no old business.

XI. New Business

There was no new business.

XII. Adjournment

The meeting was adjourned.

Respectfully Submitted,

Leonard Lipton
Secretary

National Oilheat Research Alliance
Statement of Activities
For the Month Ending September 30, 2007

	YTD 2007	%	YTD 2007 Budget	%
COLLECTION REVENUES, NET:				
Remittance Revenue *	\$9,647,229	101.25%	\$9,647,229	101.42%
Less: Assessments and Collection	(118,923)	(1.25%)	(135,000)	(1.42%)
Cash Available for 2007	9,528,306	100.00%	9,512,229	100.00%
Total 2007 Revenue for Allocation	9,528,306	100.00%	9,512,229	100.00%
Projects and State Rebates:				
Research and Development-Tanks	435,086	4.57%	435,086	4.57%
Education and Training	483,836	5.08%	483,836	5.09%
State Rebates	7,910,276	83.02%	7,910,276	83.16%
Consumer Education Production	426,000	4.47%	426,000	4.48%
Internet Communications	675,000	7.08%	675,000	7.10%
Total Grants and State Rebates	9,930,198	104.22%	9,930,198	104.39%
OPERATING EXPENSES:				
Administrative Expenses:				
Salaries and Consultants	217,741	2.29%	225,000	2.37%
Employee Taxes	12,809	0.13%	8,250	0.09%
Health Insurance	14,097	0.15%	11,250	0.12%
Retirement Plan	14,400	0.15%	14,400	0.15%
Rent and Telephone	24,369	0.26%	22,500	0.24%
Office Supplies	5,449	0.06%	11,250	0.12%
Equipment Maintenance	1,582	0.02%	3,750	0.04%
Insurance (D & O, L)	25,409	0.27%	22,500	0.24%
Dues, Memberships & Subscriptions	4,352	0.05%	15,000	0.16%
Public and Staff Travel	17,547	0.18%	33,750	0.35%
Meeting Expense	28,085	0.29%	26,250	0.28%
Legal	28,600	0.30%	37,500	0.39%
Bank Fees	2,250	0.02%		
Accounting Fees	74,029	0.78%	37,500	0.39%
Professional Travel	3,320	0.03%	15,000	0.16%
Total Administrative Expenses	474,039	4.98%	483,900	5.09%
Special Studies and Mailings				
Printing Annual Report & Other	47,694	0.50%	30,000	0.32%
Postage/Special Mailings	33,807	0.35%	30,000	0.32%
Total Special Studies & Mailings	81,501	0.86%	60,000	0.63%
Other (Income)/Expenses:				
Interest Income/Expense	(252,249)	(2.65%)	(30,000)	(0.32%)
Depreciation and Amortization	1,626	0.02%	3,750	0.04%
Other Income	(126,780)	(1.33%)		
Other Expense	357,701	3.75%		
Total Other Expenses	(19,702)	(0.21%)	(26,250)	(0.28%)
TOTAL OPERATING EXPENSES	535,838	5.62%	517,650	5.44%
TOTAL EXPENDITURES	10,466,036	109.84%	10,447,848	109.84%
INCREASE/(DECREASE) IN NET ASSETS	(\$937,730)	(9.84%)	(\$935,619)	(9.84%)

* Net of Refunds

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$6,583,066.07
Assessments receivable, net of allowance	1,581,402.51

Total current assets	8,164,468.58

PROPERTY AND EQUIPMENT, Net	3,021.38
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Other assets	171,774.93

Total noncurrent assets	171,774.93

TOTAL ASSETS	\$8,339,264.89
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$506.55
Accrued expenses	30,834.79

Total current liabilities	31,341.34

OTHER LIABILITIES:

Accrued state rebates	5,144,909.81
Accrued grants - research and development	1,238,010.33
Accrued grants - education and training	373,754.73
Accrued grants - consumer education	(1,463.34)
Accrued Internet Communications	456,774.34

Total Other Liabilities	7,211,985.87

Total liabilities	7,243,327.21

UNRESTRICTED AND RESTRICTED NET ASSETS:

Unrestricted net assets	(322,933.32)
Board designated net assets	1,418,871.00

Total net assets	1,095,937.68

TOTAL LIABILITIES AND NET ASSETS	\$8,339,264.89
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State Grant Remaining Balance Report

National Oilheat Research Alliance				
STATE GRANT STATUS				
For the Nine Months Ending September 30, 2007				
		Disbursed	Disbursed	
	APPROVED	in '06	in '07	REMAINING
CONNECTICUT				
R & D '06 Grant	24,377.85	24,377.85	0.00	0.00
CONS-ED '06 Grant	796,264.15	550,157.99	246,106.16	0.00
E & T '06 Grant	273,821.00	158,754.37	115,066.63	0.00
R & D '07 Grant	48,562.90	0.00	0.00	48,562.90
CONS-ED '07 Grant	709,919.49	0.00	475,250.91	234,668.58
E & T '07 Grant	242,814.49	0.00	156,046.68	86,767.81
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TOTALS FOR CONNECTICUT	2,095,759.88	733,290.21	992,470.38	369,999.29
IDAHO				
CONS-ED '06 Grant	16,380.49	0.00	0.00	16,380.49
E & T '06 Grant	21,587.95	8,907.23	0.00	12,680.72
CONS-ED '07 Grant	315.00	0.00	0.00	315.00
E & T '07 Grant	10,382.50	0.00	0.00	10,382.50
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TOTALS FOR IDAHO	48,665.94	8,907.23	0.00	39,758.71
INDIANA				
2006 Unassigned	3,812.77	0.00	0.00	3,812.77
CONS ED '06 Grant	34,530.23	20,204.62	7,020.22	7,305.39
E & T '06 Grant	4,103.00	2,759.65	0.00	1,343.35
CONS-ED '07 Grant	58,285.00	0.00	132.84	58,152.16
E & T '07 Grant	3,000.00	0.00	1,500.00	1,500.00
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TOTALS FOR INDIANA	103,731.00	22,964.27	8,653.06	72,113.67
KENTUCKY				
CONS-ED '06 Grant	120,028.36	88,171.69	31,856.67	0.00
E & T '06 Grant	39,785.00	18,885.38	20,899.62	0.00
CONS-ED '07 Grant	94,187.95	0.00	86,707.76	7,480.19
E & T '07 Grant	55,316.74	0.00	1,500.00	53,816.74
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TOTALS FOR KENTUCKY	309,318.05	107,057.07	140,964.05	61,296.93

State Grant Remaining Balance Report

MASSACHUSETTS				
CONS-ED '06 Grant	1,012,000.00	1,007,665.95	4,334.05	0.00
E & T -'06 Grant	348,657.22	201,470.74	147,186.48	0.00
CONS-ED '07 Grant	917,450.46	0.00	437,105.83	480,344.63
E & T '07 Grant	247,291.00	0.00	89,747.50	157,543.50
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TOTALS FOR MASSACHUSETTS	2,525,398.68	1,209,136.69	678,373.86	637,888.13
MARYLAND (MID-ATL)				
E & T '06 Grant	4,000.00	0.00	0.00	4,000.00
E & T '07 GRANT	45,000.00	0.00	0.00	45,000.00
CONS-ED '06 Grant	578,577.59	415,728.39	162,849.20	0.00
CONS-ED '07 Grant	389,656.70	0.00	214,313.49	175,343.21
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TOTALS FOR MARYLAND	1,017,234.29	415,728.39	377,162.69	224,343.21
MAINE				
CONS-ED '06 Grant	411,460.80	200,000.00	211,460.80	0.00
E & T - '06 Grant	276,000.00	260,598.74	15,401.26	0.00
CONS-ED '07 Grant	322,808.08	0.00	192,344.13	130,463.95
E & T '07 Grant	304,128.46	0.00	177,548.43	126,580.03
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TOTALS FOR MAINE	1,314,397.34	460,598.74	596,754.62	257,043.98

State Grant Remaining Balance Report

National Oilheat Research Alliance				
STATE GRANT STATUS				
For the Nine Months Ending September 30, 2007				
		Disbursed	Disbursed	
	APPROVED	in '06	in '07	REMAINING
MICHIGAN				
CONS-ED '06 Grant	79,985.00	61,686.90	18,298.10	0.00
E & T '06 Grant	46,975.00	20,070.15	26,904.85	0.00
CONS-ED '07 Grant	49,094.00	0.00	16,165.00	32,929.00
E & T '07 Grant	97,106.00	0.00	20,000.00	77,106.00
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TOTALS FOR MICHIGAN	273,160.00	81,757.05	81,367.95	110,035.00
NORTH CAROLINA				
CONS-ED '06 Grant	365,375.00	224,184.07	141,190.93	0.00
E & T '06 Grant	64,477.95	41,568.48	22,909.47	0.00
CONS-ED '07 Grant	396,381.05	0.00	225,650.57	170,730.48
E & T '07 Grant	64,527.14	0.00	44,400.44	20,126.70
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TOTALS FOR NORTH CAROLINA	890,761.14	265,752.55	434,151.41	190,857.18
NEW HAMPSHIRE				
CONS-ED '06 Grant	308,879.00	203,139.71	105,739.29	0.00
E & T '06 Grant	70,113.00	50,784.93	19,328.07	0.00
CONS-ED '07 Grant	269,496.43	0.00	150,334.62	119,161.81
E & T '07 Grant	64,866.39	0.00	39,583.55	25,282.84
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TOTALS FOR NEW HAMPSHIRE	713,354.82	253,924.64	314,985.53	144,444.65
NEW JERSEY				
CONS-ED '06 Grant	798,812.91	535,419.92	263,392.00	0.99
E & T '06 Grant	241,671.00	147,634.14	62,539.14	31,497.72
CONS-ED '07 Grant	782,420.00	0.00	446,160.00	336,260.00
E & T '07 Grant	261,725.00	0.00	150,987.32	110,737.68
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TOTALS FOR NEW JERSEY	2,084,628.91	683,054.06	923,078.46	478,496.39

State Grant Remaining Balance Report

NEVADA				
CONS-ED '05 Grant	1,330.42	1,330.42	0.00	0.00
E & T '02 thru '05 Grants	8,944.00	0.00	0.00	8,944.00
'06 Grant - Unassigned	6,922.00	1,026.20	9,400.00	(3,504.20)
'07 Grant - Unassigned	6,442.86	0.00	0.00	6,442.86
TOTALS FOR NEVADA	23,639.28	2,356.62	9,400.00	11,882.66
OHIO				
CONS-ED '06 Grnt	276,518.00	171,285.70	105,232.31	(0.01)
E & T '06 Grant	69,130.00	67,178.24	0.00	1,951.76
CONS-ED '07 Grant	275,226.87	0.00	91,649.09	183,577.78
E & T '07 Grant	56,371.77	0.00	34,150.00	22,221.77
TOTALS FOR OHIO	677,246.64	238,463.94	231,031.40	207,751.30
OREGON				
CONS-ED '06 Grant	41,815.00	26,604.28	15,210.72	0.00
E & T '06 Grant	2,669.00	0.00	2,669.00	0.00
CONS-ED '07 Grant	48,559.51	0.00	31,010.07	17,549.44
E & T '07 Grant	4,000.00	0.00	0.00	4,000.00
TOTALS FOR OREGON	97,043.51	26,604.28	48,889.79	21,549.44

State Grant Remaining Balance Report

National Oilheat Research Alliance				
STATE GRANT STATUS				
For the Nine Months Ending September 30, 2007				
		Disbursed	Disbursed	
	APPROVED	in '06	in '07	REMAINING
PENNSYLVANIA				
CONS-ED - '06 Grant	1,343,011.00	953,621.10	389,389.90	0.00
E & T- '06 Grant	336,076.00	200,000.00	136,076.00	0.00
CONS-ED '07 Grant	1,264,615.11	0.00	0.00	1,264,615.11
E & T '07 Grant	345,300.00	0.00	100,000.00	245,300.00
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TOTALS FOR PENNSYLVANIA	3,289,002.11	1,153,621.10	625,465.90	1,509,915.11
RHODE ISLAND				
CONS-ED '06 Grant	212,485.00	211,975.00	510.00	0.00
E & T '06 Grant	112,237.00	87,377.18	24,859.82	0.00
CONS-ED '07 Grant	152,032.25	0.00	71,414.19	80,618.06
E & T '07 Grant	158,000.00	0.00	65,000.00	93,000.00
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TOTALS FOR RHODE ISLAND	634,754.25	299,352.18	161,784.01	173,618.06
VIRGINIA				
CONS-ED '06 Grant	373,276.00	260,805.41	(1,493.24)	113,963.83
E & T '06 Grant	166,832.61	0.00	18,786.42	148,046.19
CONS-ED '07 Grant	323,316.00	0.00	5,923.47	317,392.53
E & T '07 Grant	73,391.82	0.00	5,513.70	67,878.12
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TOTALS FOR VIRGINIA	936,816.43	260,805.41	28,730.35	647,280.67
VERMONT				
CONS-ED '05 Grant	54,493.67	54,493.67	0.00	0.00
CONS-ED '06 Grant	159,153.34	131,368.42	(3,532.60)	31,317.52
E & T '06 Grant	139,346.21	79,346.21	60,000.00	0.00
R & D '07 Grant	5,000.00	0.00	0.00	5,000.00
CONS-ED '07 Grant	126,989.76	0.00	0.00	126,989.76
E & T '07 Grant	60,000.00	0.00	26,400.00	33,600.00
	-----	-----	-----	-----
TOTALS FOR VERMONT	544,982.98	265,208.30	82,867.40	196,907.28

State Grant Remaining Balance Report

WASHINGTON				
CONS-ED - '06 Grant	65,531.20	32,718.17	31,950.00	863.03
E & T - '06 Grant	5,520.00	0.00	0.00	5,520.00
CONS-ED '07 Grant	70,145.95	0.00	27,075.00	43,070.95
E & T - '07 Grant	6,099.65	0.00	0.00	6,099.65
	-----	-----	-----	-----
TOTALS FOR WASHINGTON	147,296.80	32,718.17	59,025.00	55,553.63
WISCONSIN				
CONS-ED - '06 Grant	86,595.71	58,019.13	28,576.58	0.00
CONS-ED '07 Grant	94,417.16	0.00	508.25	93,908.91
E & T '07 Grant	30,225.96	0.00	16,433.40	13,792.56
	-----	-----	-----	-----
TOTALS FOR WISCONSIN	211,238.83	58,019.13	45,518.23	107,701.47

State Grant Remaining Balance Report

National Oilheat Research Alliance				
STATE GRANT STATUS				
For the Nine Months Ending September 30, 2007				
		Disbursed	Disbursed	
	APPROVED	in '06	in '07	REMAINING
ESPA (NEW YORK)				
CONS-ED '04 Grant	98,177.53	10,000.00	20,000.00	68,177.53
E & T '04 Grant	265,832.67	39,320.20	0.00	226,512.47
CONS-ED '05 Grant	509,816.55	374,696.00	47,500.00	87,620.55
CONS-ED '06 Grant	135,661.12	9,739.15	60,000.00	65,921.97
E & T '06 Grant	17,300.00	17,300.00	0.00	0.00
CONS-ED '07 Grant	154,900.00	0.00	0.00	154,900.00
E & T '07 Grant	24,900.00	0.00	0.00	24,900.00
	-----	-----	-----	-----
TOTALS FOR ESPA	1,206,587.87	451,055.35	127,500.00	628,032.52
NYOHA				
CONS-ED '06 Grant	706,785.00	319,120.60	387,664.40	0.00
E & T '06 Grant	81,956.00	45,686.33	32,175.03	4,094.64
CONS-ED '07 Grant	596,612.51	0.00	217,406.00	379,206.51
E & T '07 Grant	82,949.87	0.00	47,989.30	34,960.57
	-----	-----	-----	-----
TOTALS FOR NYOHA	1,468,303.38	364,806.93	685,234.73	418,261.72
EASTERN				
CONS-ED '06 Grant	160,656.02	0.00	50,000.00	110,656.02
E & T '06 Grant	96,111.24	92,593.00	0.00	3,518.24
CONS-ED '07 Grant	135,168.00	0.00	20,000.00	115,168.00
E & T '07 Grant	90,112.00	0.00	0.00	90,112.00
	-----	-----	-----	-----
TOTALS FOR EASTERN	482,047.26	92,593.00	70,000.00	319,454.26
WESTERN				
CONS-ED '06 Grant	208,523.35	0.00	0.00	208,523.35
E & T '06 Grant	159,297.68	0.00	0.00	159,297.68
CONS-ED '07 Grant	83,801.00	0.00	0.00	83,801.00
E & T '07 Grant	26,827.00	0.00	0.00	26,827.00
	-----	-----	-----	-----
TOTALS FOR WESTERN	478,449.03	0.00	0.00	478,449.03

State Grant Remaining Balance Report

CENTRAL				
CONS-ED '06 Grant	167,794.00	152,946.94	14,847.06	0.00
E & T '06 Grant	22,130.00	0.00	22,130.00	0.00
CONS-ED '07 Grant	119,680.00	0.00	0.00	119,680.00
E & T '07 Grant	51,291.00	0.00	0.00	51,291.00
	-----	-----	-----	-----
TOTALS FOR CENTRAL	360,895.00	152,946.94	36,977.06	170,971.00
HUDSON VALLEY				
CONS-ED '06 Grant	254,377.12	139,962.20	85,532.80	28,882.12
E&T '06 Grant	67,600.10	33,695.00	0.00	33,905.10
CONS-ED '07 Grant	223,992.00	0.00	127,227.46	96,764.54
E & T '07 Grant	9,333.00	0.00	5,301.14	4,031.86
	-----	-----	-----	-----
TOTALS FOR HUDSON VALLEY	555,302.22	173,657.20	218,061.40	163,583.62
LONG ISLAND				
CONS-ED '06 Grant	523,780.90	280,495.82	243,285.08	0.00
E & T - '06 Grant	236,115.89	109,510.51	126,605.38	0.00
CONS-ED '07 Grant	420,387.00	0.00	178,370.28	242,016.72
E & T '07 Grant	140,800.00	0.00	68,522.00	72,278.00
	-----	-----	-----	-----
TOTALS FOR LONG ISLAND	1,321,083.79	390,006.33	616,782.74	314,294.72
TOTALS FOR NY STATE	5,872,668.55	1,625,065.75	1,754,555.93	2,493,046.87
	-----	-----	-----	-----
	=====	=====	=====	=====
TOTALS FOR REPORT	23,811,099.43	8,204,385.78	7,595,230.02	8,011,483.63
	=====	=====	=====	=====

Budget 2008

June, 2007

The National Oilheat Research Alliance Act of 2000 (Public Law 106-469) requires the National Oilheat Research Alliance (the Alliance) to publish a budget for public comment before August 1st of each year. That budget shall include the probable costs of all programs, projects, and contracts and other agreements.

Following public review and comment, the Alliance is required to submit a proposed budget to the Secretary of Energy and to the Congress.

Part I. Assessment Rate and Income

The Alliance has two sources of income. The federally authorized assessment on Oilheat sold in the states participating in NORA at \$.002 per gallon. In addition the Alliance receives interest income on the investment of assessment funds.

Assessment Collections

The Alliance estimates that revenues from assessments will be **\$14,187,102**. The Alliance estimates interest to be \$220,000. This income number was the same as 2007. The committee is evaluating whether this number should be reduced in future years to accommodate new equipment and efficiency improvements.

Part II. General Expenditures and Capital Investments

Administrative Expenses in 2008 are anticipated to be \$ 592,200 at the national office, and 325,000 at the state level, for a total of \$900,000. This is less than 7 percent of anticipated assessments. By statute, the combined administrative expenses of the states and national office are not to exceed 7 percent in any year.

Assessments and Collections.

The Alliance anticipates expenditures of **\$180,000** for collection expenses. These costs include processing of collections, publicizing the collection system, and providing attorney's fees to ensure that the system is effective.

Depreciation Expenses. The Alliance anticipates depreciation expenses for furniture and equipment to be **\$5,000**.

Part III. State Rebates

The Alliance has endeavored to ensure that the funds generated benefit consumers and the oilheat industry. The limitation on Administration contained in the Act and the current status of the industry also indicates that allowing local decision-making is the best way to maximize value. To that end, the Alliance therefore intends to return a substantial portion of the funds for use in the state where they are generated. In 2008, this is anticipated to be \$10,733, 674.

Part IV. Program and Project Expenditures

The Act requires the Alliance to develop programs, and projects and enter into contracts or other agreements with other persons and entities for implementing this title.

The Act is designed to benefit consumers of Oilheat by allowing the industry to develop the proper mix of consumer education, research and development and education and training to benefit consumers.

The Alliance has established three advisory committees to develop programs in research and development, education and training, and consumer education and review any proposals developed independently. All funding decisions are subject to the approval of the Alliance; however, the Executive Committee has limited authority to initiate expenditures.

The programs described below are programs that have been developed by the advisory committees and are currently in process. 2008 will be the sixth full year of operation for the Alliance, and its major challenge will be ensuring that the projects which have been developed and prepared in previous years are utilized by the industry to improve consumer value.

Education and Training.

The Act requires the Alliance to enhance consumer and employee safety and training. The Education and Training Advisory Committee has met on a number of occasions to accomplish this goal. The following describes the goals and tasks that are envisioned to occur over the next eighteen months.

It is anticipated that the central office will spend \$645,114 for education. The states have typically dedicated 25 percent of their grant to education activities, or \$2,683,250 for a total expenditure of \$3,328,364.

The Alliance is exploring and developing multiple training approaches for technicians that include video, developed seminars and classroom instruction. Of particular interest is the development and distribution of commercial burner materials, new videos on installing equipment, and in-person training.

Technician Certification Program

The Alliance will continue to improve its Technician Certification program. Recognizing excellence is a vital part of improving employee training which leads to improved consumer value and safety. To this end, the Alliance assumed the Technician Certification Program previously operated by the Petroleum Marketers Association of America.

In 2001, the Alliance entered into a long-term agreement with the New England Fuel Institute to administer the technical education programs, specifically the Silver and Gold Technician Certification Program. In 2002, NEFI established an online resource for this program which provides technicians and companies the ability to track the education that they have received. NEFI will continue to serve as a repository and distributor for all of our educational offerings, as well as a primary provider of training. In 2008, the Bronze Certification Program will be extended, and will become the primary method of certifying new technicians.

NORA has revamped its website for technician training. It now is a central repository for all training records. It will also be used for training publicity, and will link to educational offerings. Additionally, the site will be made available to the public to find training activities.

New Training Materials.

The Alliance will continue to develop training materials and course materials for the industry. NORA will continue to develop training videos and NORA will continue to conduct Train-the-Trainer programs for the Gold and Silver program.

Catalog and Calendar

The Alliance will continue to maintain a catalog of Oilheat Education resources, however, it will now be part of our training database and will be available for editing by trainers and schools. .

Training Videos

The Alliance believes that developing new video training materials will enhance training in the industry. NORA expects to do DVDs regarding installation procedures for boilers and furnaces, and an electricity video in

2008. NORA will continue to dedicate substantial resources to ensuring that heating oil tanks are safe.

Technician Recruiting

Technician recruiting is a major challenge for our Industry and is necessary to ensure that customers have good service that improves safety. A CD was widely distributed in 2001. The Alliance will continue its efforts in this area to ensure that potential workers understand this career choice. Additional outreach to vocational schools and other training centers will occur in 2008. NORA has placed equipment at several vocational schools and training centers which will allow existing educational providers to address Oilheat.

Advanced Programs

NORA has advanced programs in hydronics, tanks, air conditioning, and air-handling. The goal for 2008 is to bring those into the community and make them more available.

State Rebates

A significant portion of the Alliance generated funds will be returned to the states in conformance with the law to accomplish the objectives of the Act. The states are currently developing detailed plans for these expenditures that will be subject to public notice, consideration of the Board, and contractual stipulations.

NORA estimates that \$2.7 million will be spent on improving education in the Oilheat industry. These expenditures will include development of technical training facilities, and purchases of equipment. Additionally, the need to recruit technicians will be enhanced by lowering the cost of training through scholarships.

Additionally, the states will use the funds provided to increase recruitment of technicians through communications with vocational and trade schools, public schools and other sources of qualified applicants.

Research and Development

The Act requires the Alliance to provide for research, development, and demonstration of clean and efficient oilheat utilization equipment. The Alliance anticipates expending approximately \$800,000 for research and development activities in 2008.

In 2008, the Alliance will continue to focus on efficiency improvements. At high price levels it is particularly important to develop more efficient

equipment, to better understand what affects efficiency and how customers make decisions. In 2005, the Alliance began an extended study of sulfur in fuel. The Alliance recognizes the environmental and operational benefits of lower sulfur fuels. However, determining the best sulfur level at the best cost requires further study. The Alliance intends to study equipment and materials issues, and refining capacity in an attempt to provide guidance to the industry on sulfur standards. Additionally, NORA will be working on multi-stage

NORA anticipates developing a liquid fuels research center in coordination with the New York State Energy Research and Development Authority. This lab will be a successor to the oilheat research program that has been conducted at Brookhaven National Laboratory which was defunded by the Department of Energy.

Consumer Education

The Act authorizes the Alliance to engage in consumer education as Congress found Oilheat to be an efficient and economical energy source. The Alliance will use a variety of techniques for consumer education.

In 2008, the Alliance will continue with its consumer education campaign that was initiated in 2003. The campaign will continue to inform consumers that improvements to the equipment allows them the opportunity to use less oil, to have a greater contribution to the environment and that they should consider taking steps to improve the oilheating equipment that in their residence.

The Alliance expects to utilize the internet in 2008. The internet provides a unique opportunity to educate consumers and provide them information when they are seeking it. In addition to the internet, the states are expected to spend approximately \$8.0 million on consumer materials.

Part V. Allowance

The Alliance in its budget development recognizes that there is significant variability in fuel consumption related to weather events. However, the Alliance at this time believes that it will be unnecessary to fund this allowance in 2008, as the fund is currently full and there are unrestricted net assets that could be used in case of warmer than normal weather.

Part VI. Budget Summary

Revenues:

	Assessment Collections	\$14,187,102
	Interest Income	220,000
40,000		

Expenditures

Central Office Administrative Expenses:	\$ 592,200
Annual Report	56,000
Depreciation	5,000
Assessments and Collections	180,000
Research and Development	777,114
Education and Training	645,114
Consumer Education	568,000
Grants to States	10,733,674
Internet Communications	850,000
Total Expenditures	\$ 14,387,102

RESOLUTION G-1

Nevada Petroleum Markets has submitted their 2006 & 2007 Grant Application. This grant has been reviewed and was found to provide sufficient detail to meet the requirements of the law, that there is commitment to comply with the title in using the requested funds, that the grant has been made public and not received adverse comments, and will directly benefit the Oilheating industry.

Be it therefore resolved: That the NORA Board approved a grant to the Nevada Petroleum Markets for \$13,703.96. The sum of \$13,703.96 will be used for consumer education. This sum includes an administrative fee within the Board specified amount.

Resolution A1

National Oilheat Research Alliance from its inception has considered the state associations to be one of the strongest forces in the Oilheat industry and the effective use of their resources will help advance the goals of NORA.

The Board in compliance with the internal budget adjustments has decided to approve this grant.

Resolved: The grant request identified as CE-06-VT-001 is hereby decreased from \$31,317.52.00 to \$00.00 and that the grant request identified as ET-06-VT-001 is hereby increased by \$31,317.00.

Be it further resolved: That the President of NORA enters into a contract with the grant application identified in the grant application to effectuate the purpose of the grant.

Resolution A2

National Oilheat Research Alliance from its inception has considered the state associations to be one of the strongest forces in the Oilheat industry and the effective use of their resources will help advance the goals of NORA.

The Board in compliance with the internal budget adjustments has decided to approve this grant.

Resolved: The grant request identified as ET-07-RI-001 is hereby decreased from \$93,000.00 to \$48,000.00 and that the grant request identified as CE-07-RI-001 is hereby increased by \$45,000.00.

Be it further resolved: That the President of NORA enters into a contract with the grant application identified in the grant application to effectuate the purpose of the grant.

Business Model Transformation for the Future

Household energy efficiency is projected to continue to increase which will mean a continued reduction of heating and hot water fuel use. The industry will focus on strategies to increase the variety and quality of Oilheat services for the existing customer base, while reducing operating and other costs. It is clear that consumers will increasingly use the Internet to choose energy services and specific sources of supply and the Industry intends to be the supplier of choice.

Public Policy and Regulatory Improvement

In order to compete more effectively in today's energy markets, the liquid fuels industry must increase collaboration in areas of mutual benefit and create standards and regulations that properly present the energy efficiency and economic impact of heating and cooling appliances. There is a need to improve energy efficiency rating standards, provide incentives to encourage change out of existing oil-fired boilers and furnaces with new oil-fired boilers and furnaces, incentives to encourage change out of existing in-ground storage tanks, and incentives to encourage low sulfur and bio/liquid fuel blends.

Strategic Alliances

Strengthen alliances with entities that benefit from our Vision of the future like the Biodiesel Board, renewable fuels providers, solar thermal industry and energy efficiency advocates.

Public Awareness

Policy makers, media, manufacturers, dealers and consumers need to understand and support the Industry's Strategic Vision. Increasing public awareness of the unique properties, uses, and benefits of heating oil is an important goal for the industry. The industry also has the opportunity to position itself as developing critical sustainable liquid fuels for the future, developing new and exciting appliances, energy solutions, and business models.

NORA represents an important self-financing coordinated national oilheat industry program of research and development, training, and consumer education. NORA's programs provide necessary and important support for the industry, the general economy of the United States and millions of Americans who rely on oilheat for residential and commercial space and water heating. Industry leaders met, in December 2006, to examine broad global energy industry trends, develop an understanding of industry strengths / weaknesses within the rapidly changing energy world and to develop a plan to expand the industry in the 21st century. The questions posed during the strategic planning session and the industry answers collected form the basis for this strategic plan.



For more Industry Strategic Plan information contact:

NATIONAL OILHEAT RESEARCH ALLIANCE

600 Cameron Street, Suite 206

Alexandria, VA 22314

Phone: (703) 340-1660

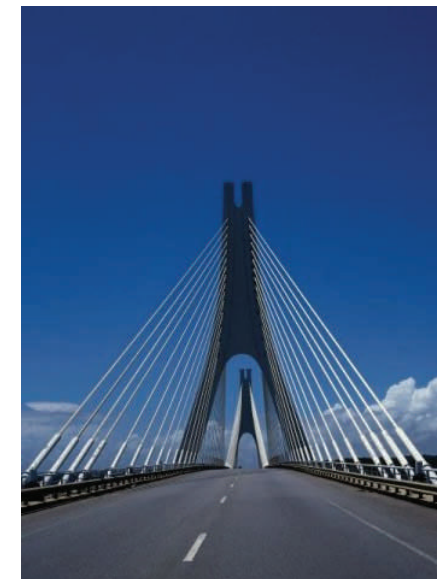
Fax: (703) 340-1661

Website: www.nora-oilheat.org

President: John Huber

2007

Industry Strategic Plan Summary



Industry Vision

The Oilheat industry is uniquely positioned to deliver to homeowners, businesses and industry, energy efficient and renewable liquid fuels and fuel blends of the future. Investment in these fuels of the future will place America in the forefront of energy security and sustainability. Achieving real change in the energy industry is very difficult, but moving forward is vital to the industry's future. The industry has invested millions of dollars in research to understand the future of oilheat and the emergence of liquid fuel blends. An understanding of past efforts and establishing achievable goals based on sound research will enable us to accomplish and reach our goals. This document summarizes the efforts of many industry leaders and provides an overview of key trends and the direction of the industry.

Managing Change

Achieving real change in the energy industry is very difficult, but moving forward is vital to the industry's future. The industry has invested millions of dollars in research to understand the future of oilheat and the emergence of liquid fuel blends. An understanding of past efforts and establishing achievable goals based on sound research will enable us to accomplish and reach our goals. This document summarizes the efforts of many industry leaders and provides an overview of key trends and the direction of the industry.

Key Energy Trends and Drivers

Fuel Oil in Transition

The advent of Ultra Low Sulfur (ULS) Fuel is revolutionizing the auto industry. Diesels are 30 percent more efficient than gas engines, and unlike gas-electric hybrids, which get better fuel economy in city driving, diesels are equally efficient on the highway. "This really, I think, is a whole new direction this market can take," DaimlerChrysler's chairman and chief executive,

Dr. Dieter Zetsche, said at the North American International Auto Show. Heating oil exhibits similar dramatic emissions reductions when sulfur is removed. Low sulfur diesel will offer the Oilheat industry an opportunity to begin a transition toward economically providing clean heating solutions and provide consumers an easy link between their future car and heating system. It will also enable new technologies and encourage use of heating oil for a variety of uses in the home including cooling and electricity generation.

The Rising Importance of Bioenergy

The Biodiesel industry is growing at an exciting pace. In 1999 there were 500,000 gallons of Biodiesel produced in America and in 2005 this jumped to 75 million gallons. This year there are 86 Biodiesel plants in production - 86 plants with a capacity of 580 million gallons exist - ramping up to 151 total plants with a capacity of 1.980 billion gallons. Anticipated sales are expected to reach 400 million in 2007, 1.0 billion in 2010, with a capacity of 2.0 billion available.

Liquid Fuels of the Future – BTL, GTL, WTL & CTL.

Biodiesel, produced from oil-producing plants such as oilseed, rape and soy, opens up the option for using diesel fuel derived from a renewable resource. Using gasification processes conducted in a targeted manner, synthetic fuel oil can be made from biomass waste matter; experts refer to this as BTL (biomass-to-liquid) fuels. Natural gas, which today is usually burned off unused in the offshore extraction of crude oil, could be used in the production of GTL (gas-to-liquid) fuels. Solid waste can deliver a form of synthetic crude oil WTL (waste-to-liquid). Finally, the nation's most abundant energy resource – coal – can produce synthetic fuel oil using gasification processes delivering CTL (coal-to-liquid) fuels. These liquid fuel sources can power America for centuries.

Energy Efficiency and Home Fuel Use

Household energy efficiency will continue to improve,

which reduces the amount of fuel needed for heating the home and its hot water. It is clear that increasing energy use opportunities for liquid fuels and expanding business opportunities for oil dealers is essential for the future.

Climate Change

Energy efficiency and renewable resource utilization are essential to reducing Greenhouse Gas emissions. The energy advantage of heating oil combined with blended biodiesel liquid fuels provide a natural advantage for the industry.

Strategic Goals

The Oilheat industry has identified five strategic goals that are critical to achieving its vision. The goals respond to the trends and drivers shaping energy markets and to the needs of customers, shareholders, and the public.

Technology Growth

The industry is committed to improve the price, performance and installation of its core products, blend new liquid fuels and develop new end-use technologies to draw new customers and increase sales to the existing customer base.

- **Core Technology Pathway** - taking advantage of non-condensing high performance characteristics of fuel oil
- **Focusing on a Fuels Pathway** - transitioning to significant blends of biodiesel, and other liquid blends
- **New Technology Pathway** - developing the next levels of efficiency with thermal heat pumps, solar thermal hybrid systems, instantaneous water heaters, self-powered appliances and beyond.



Members

Connecticut
Delaware
District of Columbia
Maine
Maryland
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Penobscot Indian Nation
Rhode Island
St. Regis Mohawk Tribe
Vermont

Nonvoting Members

U.S. Environmental
Protection Agency
National Park Service
U.S. Fish and Wildlife
Service
U.S. Forest Service

MANE-VU Class I Areas

ACADIA NATIONAL PARK
ME

BRIGANTINE WILDERNESS
NJ

GREAT GULF WILDERNESS
NH

LYE BROOK WILDERNESS
VT

MOOSEHORN WILDERNESS
ME

**PRESIDENTIAL RANGE
DRY RIVER WILDERNESS**
NH

**ROOSEVELT CAMPOBELLO
INTERNATIONAL PARK**
ME/NB, CANADA

**STATEMENT OF THE MID-ATLANTIC/NORTHEAST VISIBILITY
UNION (MANE-VU) CONCERNING A COURSE OF ACTION WITHIN
MANE-VU TOWARD ASSURING REASONABLE PROGRESS**

The federal Clean Air Act and Regional Haze rule require States that are reasonably anticipated to cause or contribute to impairment of visibility in mandatory Class I Federal areas to implement reasonable measures to reduce visibility impairment within the national parks and wilderness areas designated as mandatory Class I Federal areas. Most pollutants that affect visibility also cause unhealthy concentrations of ozone and fine particles. In order to assure protection of public health and the environment, any additional air pollutant emission reduction measures necessary to meet the 2018 reasonable progress goal for regional haze should be implemented as soon as practicable .

To address the impact on mandatory Class I Federal areas within the MANE-VU region, the Mid-Atlantic and Northeast States will pursue a coordinated course of action designed to assure reasonable progress toward preventing any future, and remedying any existing impairment of visibility in mandatory Class I Federal areas and to leverage the multi-pollutant benefits that such measures may provide for the protection of public health and the environment. This course of action includes pursuing the adoption and implementation of the following “emission management” strategies, as appropriate and necessary:

- timely implementation of BART requirements; and
- a low sulfur fuel oil strategy in the inner zone States (New Jersey, New York, Delaware and Pennsylvania, or portions thereof) to reduce the sulfur content of: distillate oil to 0.05% sulfur by weight (500 ppm) by no later than 2012, of #4 residual oil to 0.25% sulfur by weight by no later than 2012, of #6 residual oil to 0.3 – 0.5% sulfur by weight by no later than 2012, and to further reduce the sulfur content of distillate oil to 15 ppm by 2016; and
- a low sulfur fuel oil strategy in the outer zone States (the remainder of the MANE-VU region) to reduce the sulfur content of distillate oil to 0.05% sulfur by weight (500 ppm) by no later than 2014, of #4 residual oil to 0.25 – 0.5% sulfur by weight by no later than 2018, and of #6 residual oil to no greater than 0.5 % sulfur by weight by no later than

2018, and to further reduce the sulfur content of distillate oil to 15 ppm by 2018, depending on supply availability; and

- A 90% or greater reduction in sulfur dioxide (SO₂) emissions from each of the electric generating unit (EGU) stacks identified by MANE-VU (Attachment 1- comprising a total of 167 stacks – dated June 20, 2007) as reasonably anticipated to cause or contribute to impairment of visibility in each mandatory Class I Federal area in the MANE-VU region. If it is infeasible to achieve that level of reduction from a unit, alternative measures will be pursued in such State; and
- continued evaluation of other control measures including energy efficiency, alternative clean fuels, and other measures to reduce SO₂ and nitrogen oxide (NO_x) emissions from all coal-burning facilities by 2018 and new source performance standards for wood combustion. These measures and other measures identified will be evaluated during the consultation process to determine if they are reasonable and cost-effective.

This long-term strategy to reduce and prevent regional haze will allow each state up to 10 years to pursue adoption and implementation of reasonable and cost-effective NO_x and SO₂ control measures.

Adopted by the MANE-VU States and Tribes on 20 June 2007



David Littell, Commissioner – Maine Dept. of Environmental Protection
Chair

NORA
Online Media
September Update & Analysis
October 9, 2007

Campaign Parameters

Goals	<ul style="list-style-type: none">• Educate consumers of the progress of today's oilheat• Slow the attrition of oilheat consumers• Create awareness for oilheat
Objectives	<ul style="list-style-type: none">• Drive over 363,000 clicks to OilheatAmerica.com at an average cost per site visit of \$4.10 for Display and \$0.85 for Search (combined \$1.91).• Establish Rich-Media interaction benchmarks
Target Audience	<ul style="list-style-type: none">• Adults 25-49 with HHI \$75k+• Anyone actively researching home heating solutions
Timing	<ul style="list-style-type: none">• May 1, 2007 – June 30, 2007 (Flight 1)• September 1, 2007 – December 31, 2007 (Flight 2)
Budget	\$640,000 (includes \$20,450 ad-serving fee)

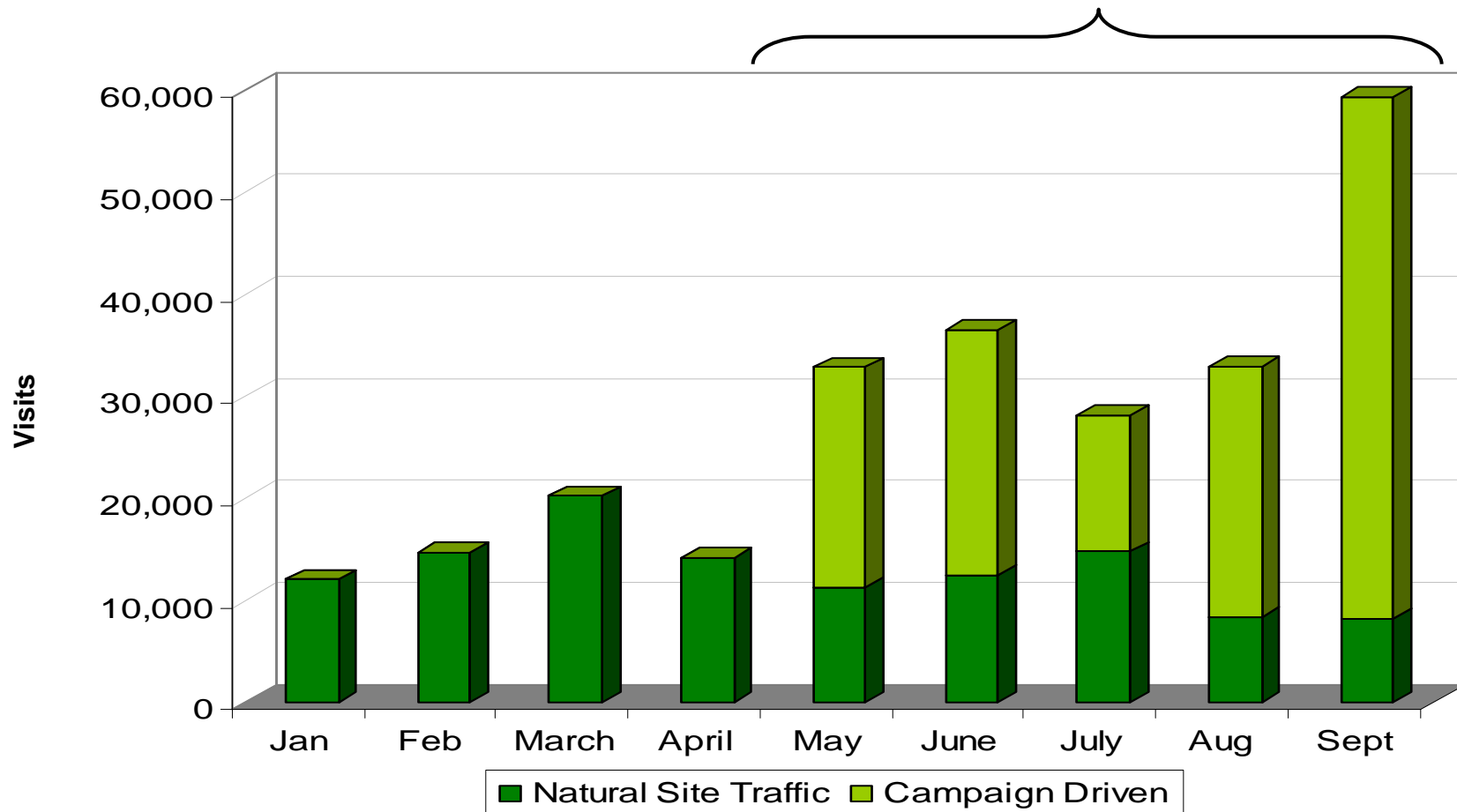
Results through September

	Date	Spend	Impressions	Clicks	CTR	CPV
Delivered	5/1-9/30	\$302,441.99	84,754,302	145,033	0.17%	\$2.08

- September had the highest traffic levels for OilheatAmerica.com since we started tracking in June 2006!
- The new Rich Media creative has generated 189,437 interactions, out-performing industry response standards.
- The campaign's cost per visit of \$2.08 is within 10% of our objective.
- Search's average-monthly visits continues to increase (up 20% from August).
- Flight 1 Display under delivery issues have been rectified.

OilheatAmerica.com Traffic Impact: Site traffic is up 148% from pre-campaign levels

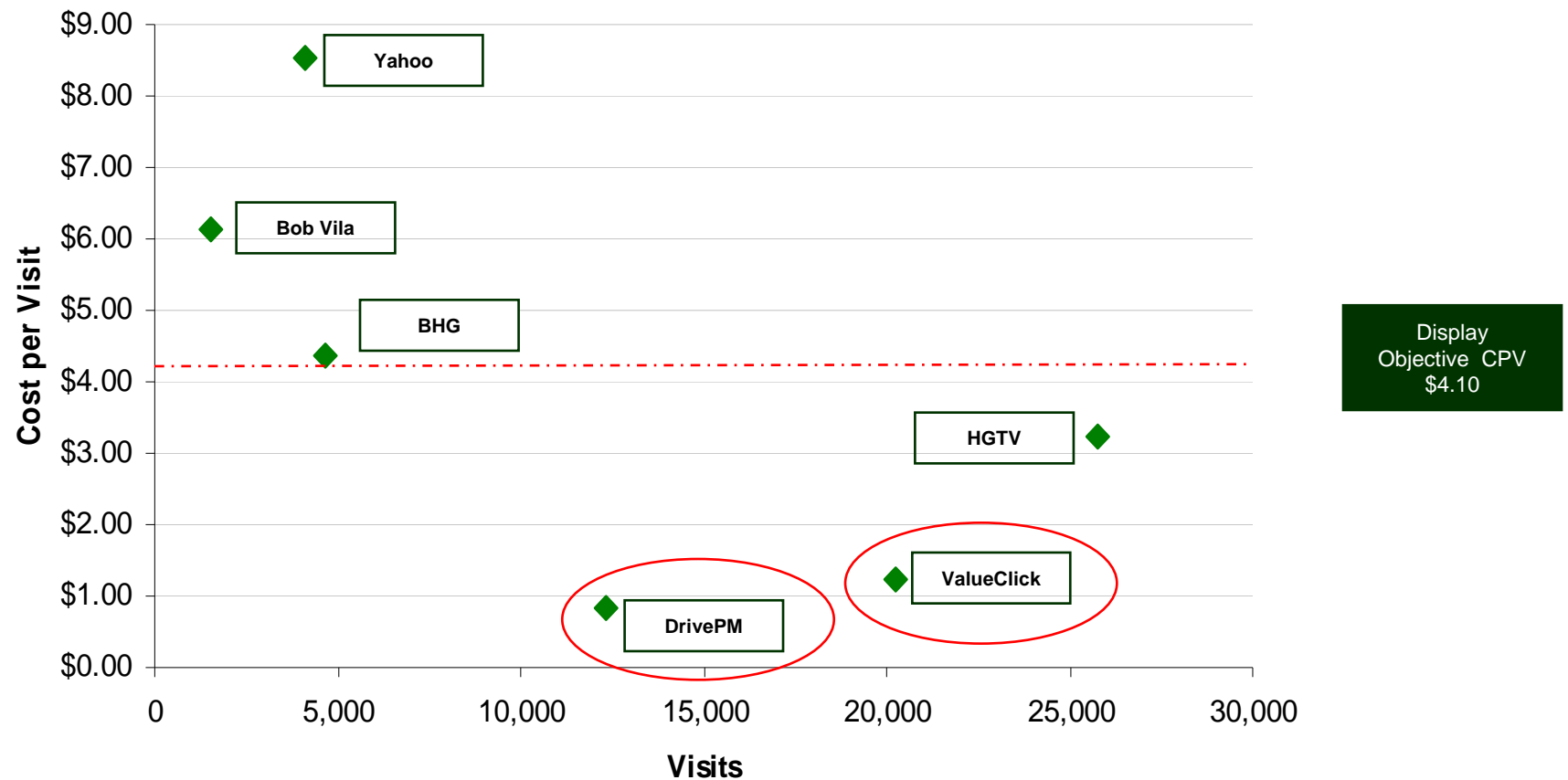
Online advertising is responsible for 71% of all site traffic from May-September



Source: Atlas, 5/1/07-9/30/07 & Primedia 1/1/07 – 9/30/07



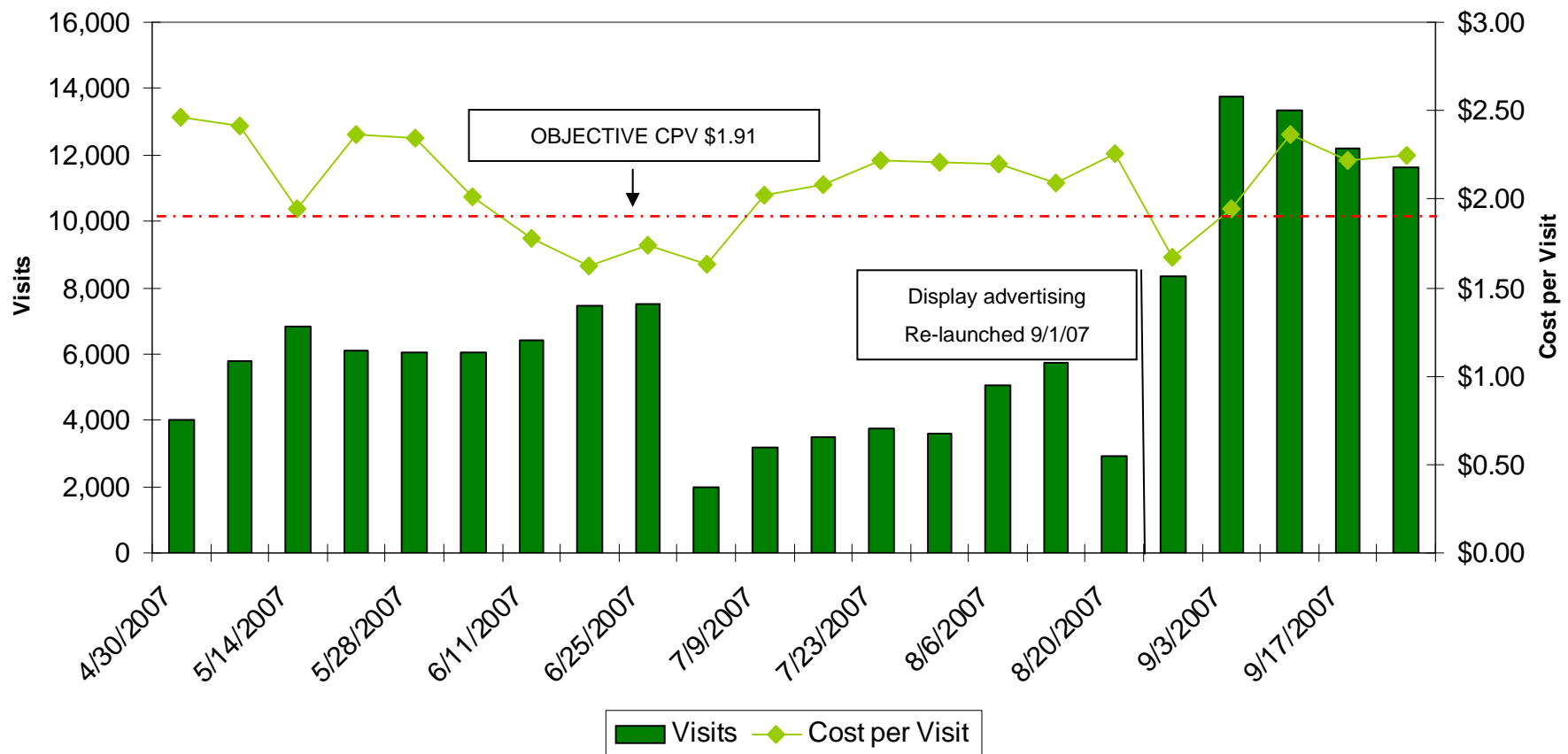
Initial Response: The two programs with cost-per-click pricing are the most efficient



Source: Atlas, 5/01/07 – 9/30/07

Initial Response Trend: Continued optimizations to Search will help drive the campaign's cost per visit below the objective

Performance by Week - All Media



Source: Atlas, 5/01/07 – 9/30/07

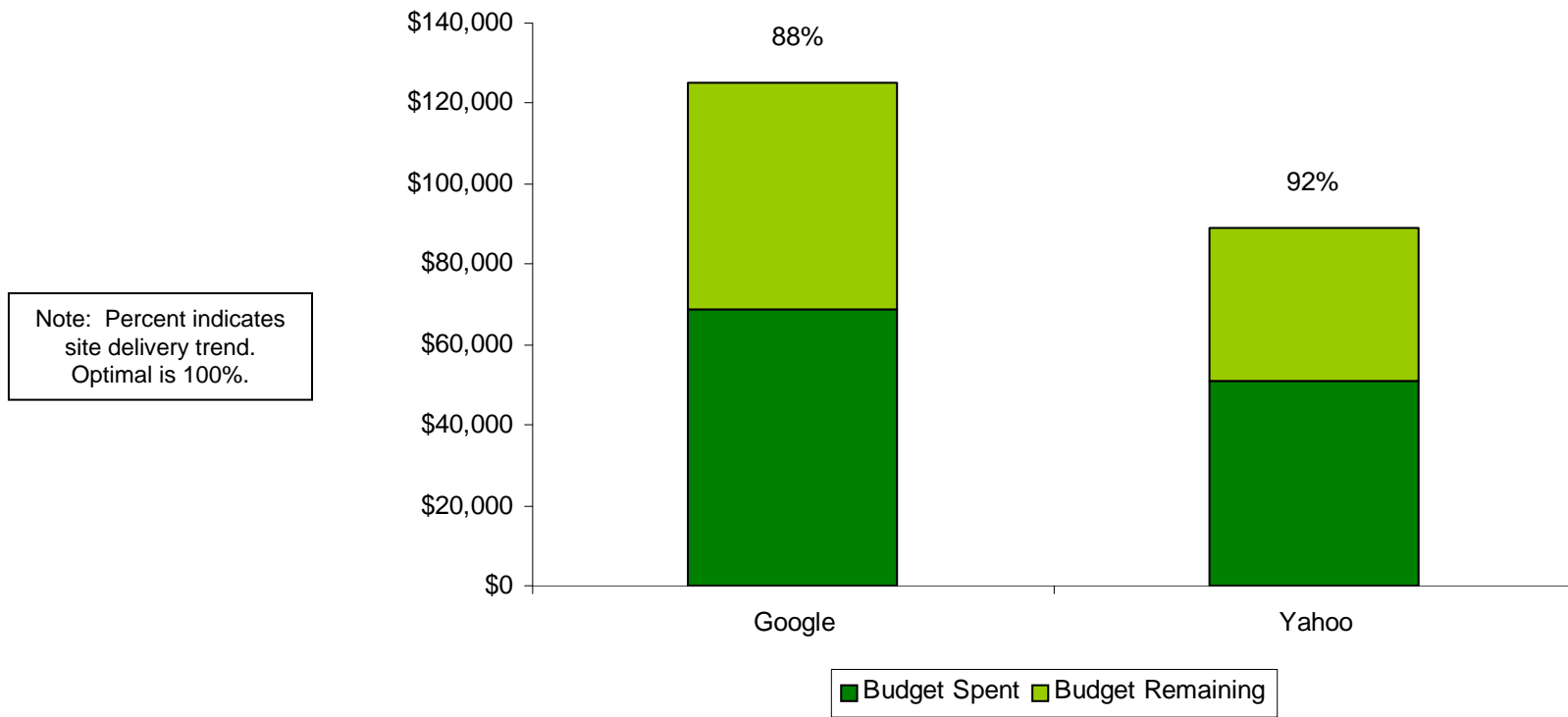
NORA Site Behavior: FAQs continues to be the most popular destination for visitors on OilheatAmerica.com



Source: Atlas, 5/01/07 – 9/30/07

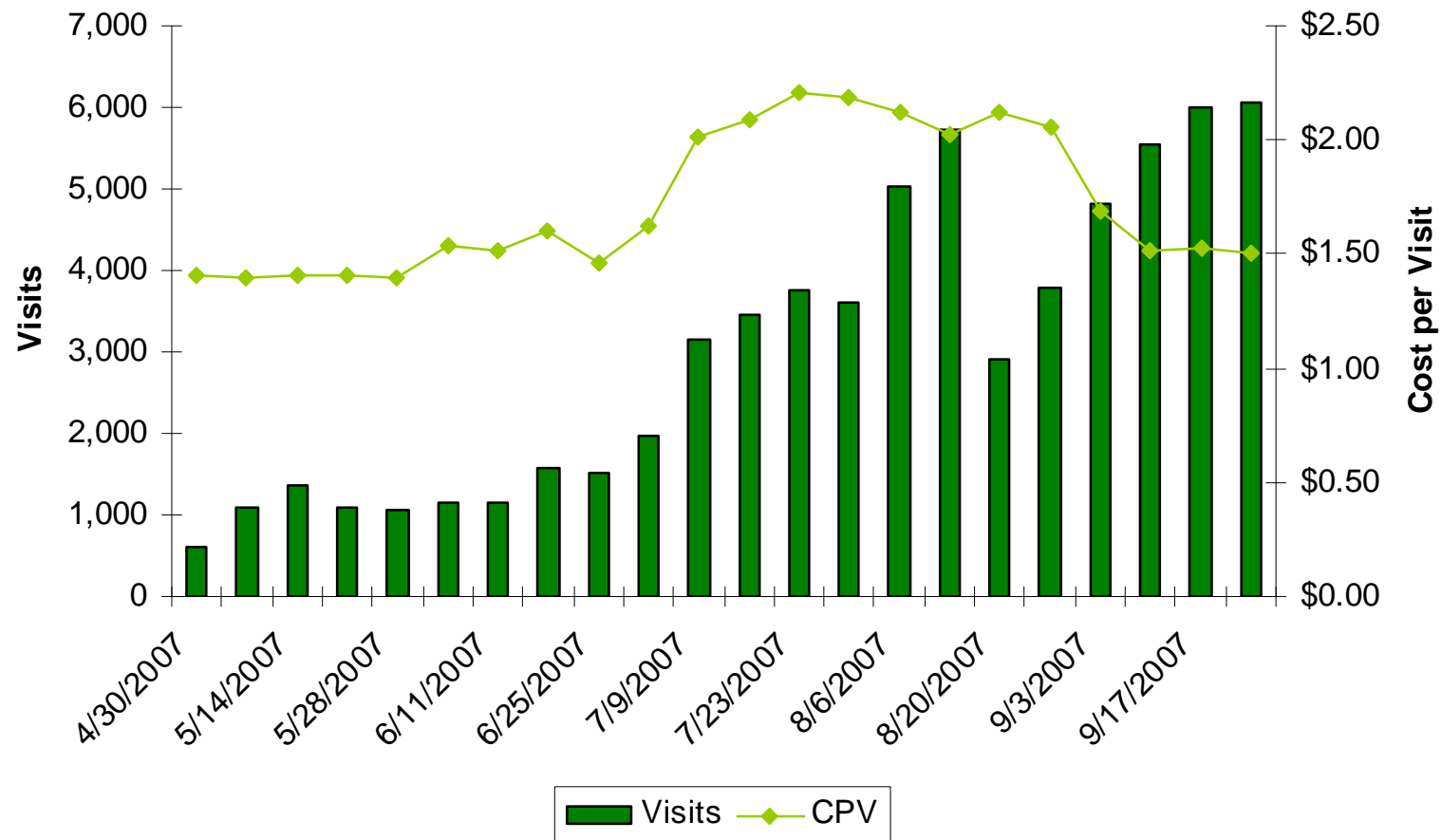
Search Delivery: A re-allocation of funds from Yahoo to Google helped to increase Search delivery.

Search Engine	Impressions	Clicks	Click-through Rate	Cost per Visit
Google	9,467,707	38,964	0.41%	\$1.76
Yahoo Search	2,683,195	27,460	1.02%	\$1.85
Total	12,150,902	66,424	0.55%	\$1.79



Source: Google & Yahoo Search, 5/1/07-9/30/07

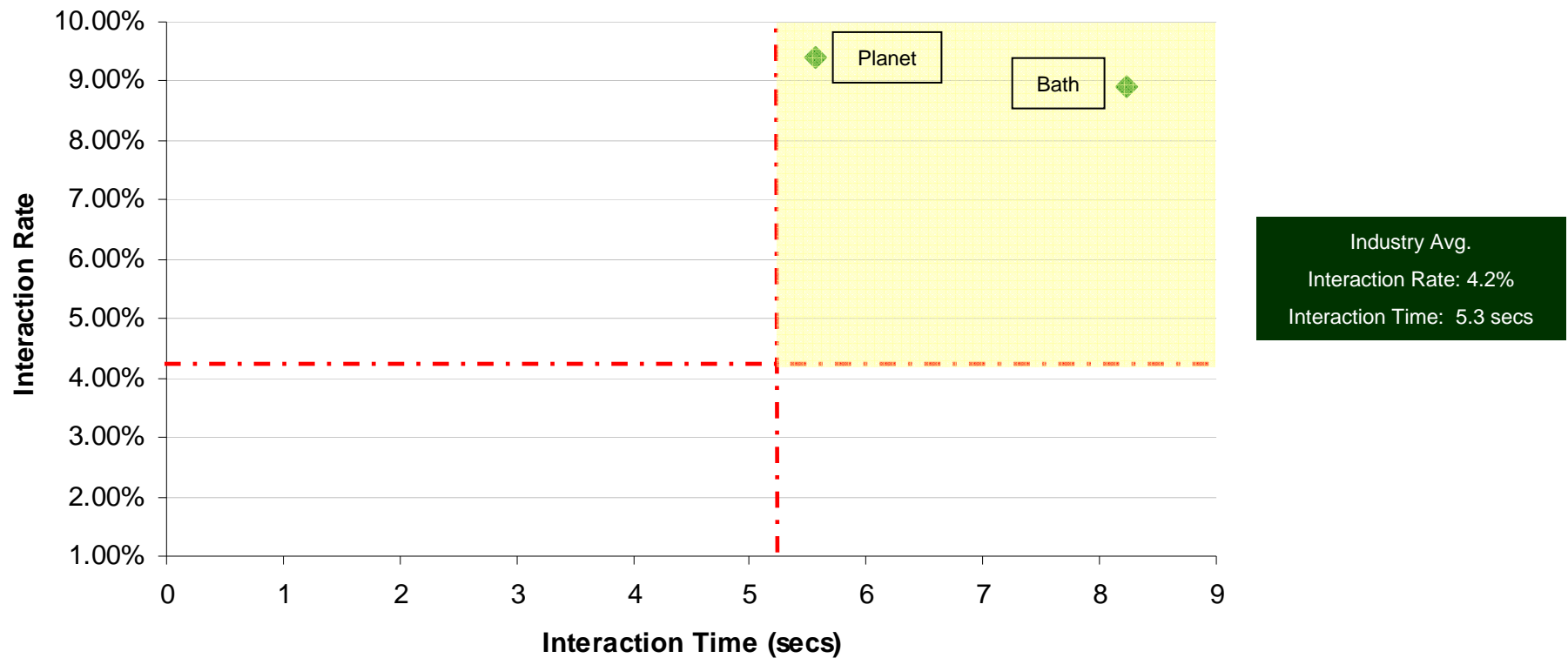
Search Performance: Monthly visits are up 20% and cost per visit is down 25% since August!



Source: Google & Yahoo Search, 5/1/07-9/30/07



Creative Performance: The new Rich Media has generated 189,437 interactions, outperforming industry averages



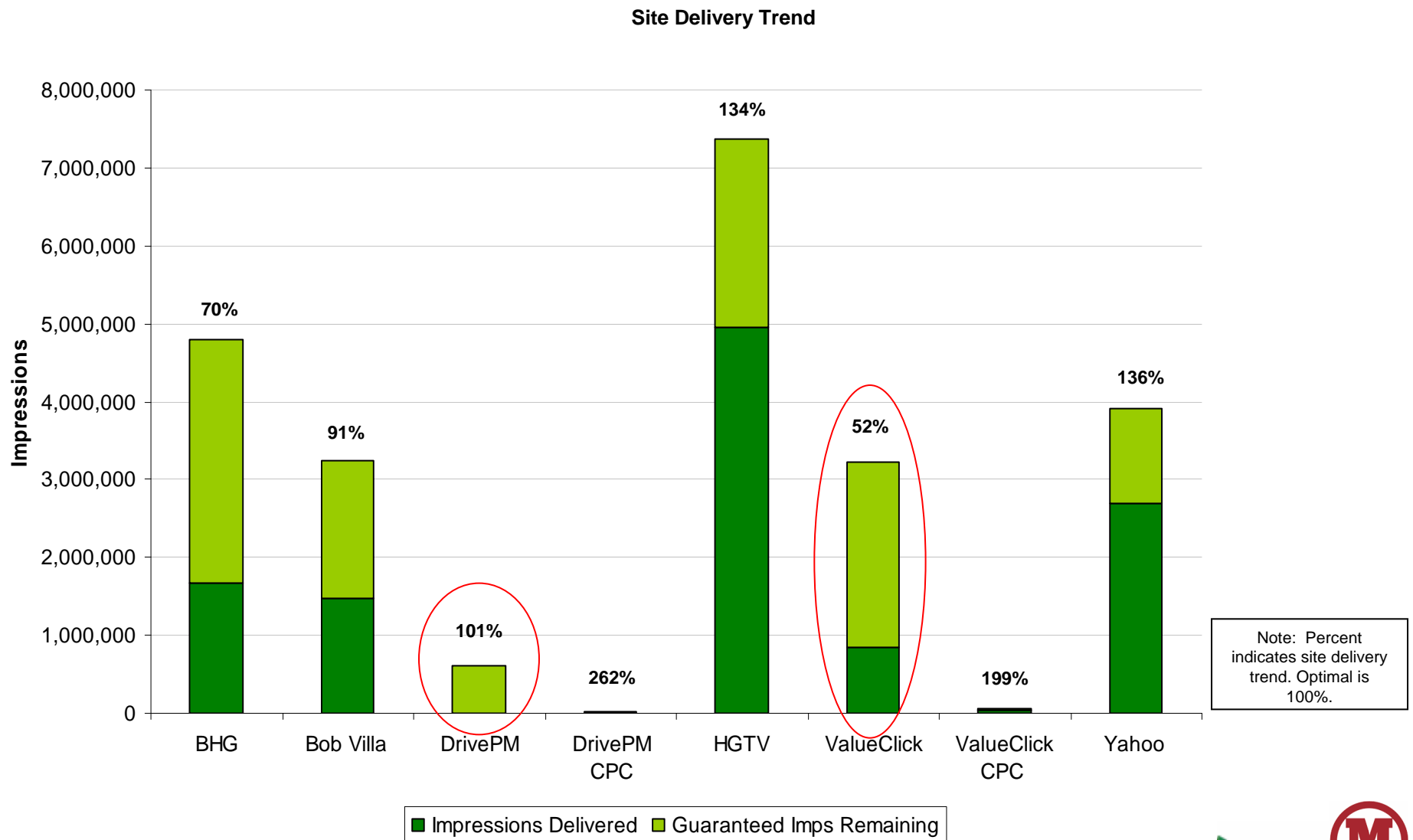
Source: PointRoll, 5/1/07-9/30/07



Next Steps

Site	Action	Date
BHG.com	Monitor delivery	Ongoing
All	Creative optimization	Week of 10/4
Search	Continue to monitor bids in order to bring down cost per visit	Ongoing

Appendix: Display Delivery



Appendix: Optimization Log

Date	Site	Optimization	Rationale
Week of 6/11	ValueClick	Reallocated funds from re-messaging portion to CPC portion	Increase volume to ensure delivery
Week of 6/11	Search	<ul style="list-style-type: none"> Expanded keyword list Restructured account set-up Increased max bids 	Increase volume to ensure delivery
Week of 6/18	All	Introduced new flash creative	To improve response
Week of 7/9	Search	Included general keywords	Help to lower the overall cost per click
Week of 7/23	Search	Reduced max bids for top performing keywords	Help to lower the overall cost per click
Week of 7/23	Search	Reduced max bids for top performing keywords	Help to lower the overall cost per click
8/1-8/31	All	By-placement optimizations	Maximize efficiency for Flight 2
8/1-8/31	DrivePM	Added a cost per visit component to the media buy	To ensure a cost efficient delivery of media
Week of 8/13	Search	Re-allocated funds from Yahoo to Google	To help stabilize delivery and reduce cost per click
Week of 8/13	All	Creative optimization	To increase click-through rate

2008 Leadership

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